

REASON TEN

Clear Skies and Warming Utah's International Business Climate

By Paul Rawlins



LEW CRAMER IS EXCITED.

Ask the CEO of Utah's new World Trade Center why Utah businesses should be going global, and Cramer rattles off a number of reasons, starting with, "Number one, we have a booming economy... We ought to be out there taking advantage now of international opportunities."

The potential of those international opportunities was summed up succinctly by Franz Kolb, director for Europe and India in the International Trade and Development Office (ITDO) of the Governor's Office of Economic Development (GOED). "Here's the shocker: Only 5 percent of the population of the world lives in the United States."

In the past, Kolb and his colleagues had to sell people on international business. Now companies know that international sales aren't just gravy. They are a staple of a well-balanced economic diet.

Karen Gunn agrees that the time is ripe for Utah entrepreneurs who are looking to branch out into the global market. "Now there is a support network in terms of financing, education, training, matchmaking resources and mentoring that have not been here before in a comprehensive way," says Gunn, division chair of business and employer outreach education services at Salt Lake Community College's Miller Business Resource Center.

As a result, Utah companies can face the future with an expanding menu of options for maximizing international trade opportunities, including seminars and trade missions to a variety of key countries around the world, the new World Trade Center Utah and Miller Global Business Center and an expanding support network to offer Utah businesses unprecedented assistance in going global.

THE STATE ON A MISSION

"One of the things that the state can do really well is open doors," says GOED Executive Director Jason Perry. ITDO employees work to facilitate matchmak-

ing, exporting and foreign investment while providing access to contacts and networks, both through its office in Salt Lake City and through trade representatives dispersed around the world. Two of the ITDO's specific initiatives that will continue to play a major role in 2007 are foreign trade seminars and trade missions.

Brett Heimburger, and Miguel Rovira, ITDO's directors for Asia and Mexico/Canada, respectively, see focused seminars centered on visits from invited representatives of target nations as a great way of leveraging the state's contacts and resources, especially for companies that may not be able to afford to travel. Seminars focus on a country or area and on strategic clusters of Utah state industries—such as IT, life sciences, aerospace, or tourism. These sectors are looking for key areas of rapid growth where there is an equivalent area of need in those markets, Heimburger says.

For the Mexico seminar in March, the ITDO invited various Mexican states to send economic develop-

ment representatives, as well as private sector service providers, to talk about opportunities in their states. A similar program was offered for Korea, and additional seminars are planned for China and Taiwan. Other recent seminars have focused on Japan, India, and the 10 members of the Association of Southeast Asian Nations (ASEAN).

On the heels of a successful year of trade missions in 2006, additional missions are in the works for 2007. The big buzz from 2006 was the trade mission to China (where Utah's annual exports have almost tripled since 2003) led by Governor Jon Huntsman, Jr. and which included 20 companies. Last year also saw a trade mission to Mexico, which featured trips to Monterrey and Mexico City for matchmaking meetings and sit-downs with organizations such as the American Chamber of Commerce of Monterrey, state development offices, and private companies.

The trade missions are all about networking, making contacts, and opening doors. "As much as technol-

ogy provides a bridge for international relationships, you still have to travel in-country to develop and maintain relationships if you are going to conduct international business," Rovira says. Some cultures, including many in Asia, require face-to-face contact, and, as Kolb stresses, that contact "shows your commitment to the relationship."

Trade missions can include presentations by university presidents, discussions on art exhibits, cultural trades, educational trades, the signing of sister state agreements and memorandums of understanding, as well as opportunities to help increase travel and tourism.

While trade missions are driven by the private sector, the government support carries plenty of weight in many parts of the world. "The state seal means a lot in foreign countries," Perry notes. In many countries, government is seen as a partner in facilitating business deals. Government involvement lends credibility, and for smaller companies, Perry says, this may be the only way to

gain access to higher level officials they could never reach on their own. This year already includes plans for two more trade missions to Mexico. A trip to Toronto, Canada will focus on life-science companies and efforts to create synergies with counterparts there, and a major trip to India is in the works for the fall.

WTC UTAH

Utah took another step onto the world stage with the opening of the World Trade Center Utah in September 2006. If the name brings to mind the towers that stood in New York City, it should. There are over 300 WTCs in countries worldwide. Utah's WTC is the only center between Denver and the West Coast and will service the entire Intermountain region.

"International trade is a networking business, and we're trying to provide the hub for that," says Cramer, newly appointed CEO for World Trade Center Utah. The goal is to make Utah's WTC "a one-stop shop" for contacts and information. It will also provide a link with the other

WTCs around the world. Cramer sees WTC Utah as "part of a three-legged stool for international business" that includes federal government, the state, and the WTC, working with the chambers of commerce and representing the private sector as a "seamless partner" with other trade agencies in the state.

The WTC currently operates out of the Salt Lake Chamber of Commerce building, though there are plans to build a home of its own. Still, Cramer says Utah's WTC will operate extremely effectively as something of a "virtual" WTC that taps into other permanent resources in the state. For example, for educational needs, the WTC will work with the universities, and it has already partnered with the Miller Global Business Center and GOED on a number of initiatives, cosponsored several seminars, helped host visiting ambassadors, and planned trade missions. It is just getting started.

MILLER GLOBAL BUSINESS CENTER

Another new addition to Utah's international business infrastructure is the Miller Global Business Center, established in March 2006 at the Miller Business Resource Center, a business incubator run in conjunction with Salt Lake Community College.

Gunn says the first reason for establishing the center was a need for applicable hands-on training for Utah entrepreneurs who were ready to move onto the global stage. "There really wasn't a place that had a comprehensive education and training program," Gunn says. "We formed a partnership with the Department of Commerce's Export Assistance Center to leverage our educational and training resources with their international commerce expertise. The result is a comprehensive one-stop place for those small business owners and entrepreneurs interested in gaining more knowledge in international business." Additionally, the business incubator itself, which already had partners in Brazil and the Ukraine, was requesting "virtual incubation and training."

The center has four key educational and training components.

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DIVISION CHAIR OF BUSINESS AND EMPLOYER OUTREACH EDUCATION, SALT LAKE COMMUNITY COLLEGE MILLER BUSINESS RESOURCE CENTER



TORONTO TRADE MISSION PARTICIPANTS

First, it provides international business training through partners like the Export Assistance Center, WTC Utah, and GOED. It also offers international business counseling for businesses looking to make a global move, as well as "Business Briefings," two-hour workshops on international business topics. "But our star program and core," says Gunn, "is the Executive Certificate in Global Management program." The 12-week course can qualify a Utah business—small, medium, or large—as a certified exporter from Utah. The course also serves as a preparatory program for the NASBITE exam.

Huntsman awarded certificates to the first graduates from the Executive Certificate program last January, and the center has also awarded certificates of Excellence in International Exportation from the U.S. Commercial Service to Steve Williams of FedEx and Excellence in International Entrepreneurship to Dale Skidmore of Advanced Aquatics. Two incubator clients, Spectrum Home Services and Velosium, are in the process of negotiating their first international contracts in Canada and England respectively.

WHY GO WEST?

Perry likes to point out two things Utah has to offer to international businesses. First, "Utah is increasingly known throughout the world as a very safe place to invest," he says. Second, Utah has a strong reputation internationally as being a place with "good ideas" and for finding commercial applications stemming from research generated at its universities. During a recent conference that included attendees from Mongolia and Albania, Kolb says, participants remarked about the state's uniqueness, with its multilingual population and sincere interest in other cultures. The state has a comparatively young, well-educated workforce, and it boasts a collection of natural wonders and resources found nowhere else in the world and a lifestyle that many people find inviting.

With this in mind, Utah's trade missions include educational, tourism, and cultural components. Last year's Mexico trip in November in-



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DIRECTOR OF INTERNATIONAL SALES,
MARTIN DOORS

cluded representatives from the state's tourism department and Ski Utah because, as Rovira points out, "about 100,000 Mexican tourists come here every year." On last year's China mission, Huntsman established a scholarship between the University of Utah and Shanghai Normal University, which already had a loose partnership. And, as Heimburger notes, "to say that the Chinese tourism market is booming is a gross understatement. It's enormous."

THE CURRENT CLIMATE

This expanding base of international business support is helping Utah companies find abundant opportunities abroad. Ask Keith Martin of Martin Doors (now selling overhead doors in 84 countries) where his best markets are, and he will tell you that "With the way the dollar is today, we have 84 best markets." A growing number of Utah companies are experiencing similar international success. During last year's trade mission, aircraft parts manufacturer Wencor Group, from Springville, Utah signed, a joint venture agreement with Chinese firm Huafeng Science & Technology Co. NuSkin has broken new ground in China and is now joining forces with Xango, USANA, Tahitian Noni, and Nature's Sunshine on promoting their products.

That's just what Cramer wants to see. Now is the time, he says, to leverage the tremendous base of internationally oriented resources in Utah. "We have a state government led by a governor who is very internationally minded, a culturally ex-

perienced and linguistically talented population, institutions focused on turning out graduates with the skills to do international business, a reputation based on the Olympics of being a beautiful place, a competent location to do business, and a very friendly population that help people who come here."

notes that Huntsman is not only "very well connected and very well respected," but he also has "a solid understanding of international business." His unique qualifications put him at ease with business people and diplomats and have allowed him, as Kolb says, to be able to bring best-practices to his administration.



"Our mindset says we are a world city, an international destination" Cramer says. "A place where the climate is just right for business."

And then there's the governor. There are some advantages to having the only governor in the United States who speaks fluent Mandarin and comes with a wealth of international diplomatic and trade experience. In China, Perry says, Huntsman was able to get meetings "with government officials that very few get to see." He's "an amazing advocate of international trade." Heimburger

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Lew Cramer

CEO, UTAH WORLD TRADE CENTER